

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 STR-07 L-03 AID-05 CEA-01 CIAE-00  
COME-00 EB-08 EA-10 FRB-03 INR-10 IO-13 NEA-11  
NSAE-00 ICA-11 OPIC-03 SP-02 TRSE-00 LAB-04  
SIL-01 OMB-01 SS-15 AGR-05 /126 W  
-----127076 191756Z /42

R 191725Z JUN 78  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 7300  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY THE HAGUE  
AMEMBASSY LUXEMBOURG  
AMEMBASSY PARIS  
AMEMBASSY ROME  
USMISSION USNATO  
AMCONSUL BELFAST  
AMCONSUL EDINBURGH

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USEEC  
USOECD

E.O. 11652: N/A  
TAGS: ELAB, UK, PINT  
SUBJECT: LEYLAND TOOLMAKERS REITERATE DEMANDS FOR  
SEPARATE NEGOTIATING RIGHTS

REF: (A) 77 LONDON 3555, (B) 77 LONDON 4599

SUMMARY: FOLLOWING THEIR MONTH-LONG STRIKE IN 1977  
(REFTELS), THE SKILLED TOOLMAKERS EMPLOYED AT LEYLAND  
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PLANTS HAVE RESTATED THEIR DEMANDS FOR SEPARATE BAR-  
GAINING RIGHTS AND THE RESTORATION OF DIFFERENTIALS  
ERODED BY PAY POLICY. THE UNOFFICIAL TOOLMAKERS'  
LEADER HAS BEEN GIVEN THE RIGHT TO CALL WHATEVER  
INDUSTRIAL ACTION HE THINKS NECESSARY. THE THREATENED  
DISPUTE IS SERIOUS BOTH IN TERMS OF THE FUTURE OF THE  
LEYLAND CARS GROUP, AND ALSO SINCE IT BRINGS THE MEN

INTO DIRECT CONFRONTATION WITH THEIR UNION, THE  
AMALGAMATED UNION OF ENGINEERING WORKERS (AUEW). END  
SUMMARY.

1. ALMOST 2,000 OF THE 3,500 SKILLED TOOLROOM WORKERS  
EMPLOYED BY LEYLAND RESPONDED TO A JUNE 12 CALL FOR AN  
UNOFFICIAL STRIKE. THE MEETING GAVE THE UNOFFICIAL TOOL-  
MAKERS' COMMITTEE THE POWER TO CALL WHATEVER INDUSTRIAL  
ACTION NECESSARY TO ACHIEVE THEIR DEMANDS FOR SEPARATE  
BARGAINING RIGHTS, RECOGNITION BY THE COMPANY AND THE  
RESTORATION OF DIFFERENTIALS THAT HAVE BEEN SEVERELY  
ERODED BY PAY POLICY. BEHIND THESE DEMANDS IS STRINGENT  
CRITICISM OF THEIR NATIONAL UNION LEADERSHIP WHICH HAS  
REFUSED TO SANCTION SEPARATE NEGOTIATIONS FOR THE TOOL-  
MAKERS. TO HELP SOLVE THE PROBLEM, THE UNION AND THE  
MANAGEMENT ARE PLANNING TO IMPLEMENT AN AGREEMENT  
STANDARDIZING WAGES ACROSS THE WHOLE LEYLAND GROUP BY  
NOVEMBER 1979. THIS PLAN WILL INTRODUCE A MORE RIGID  
GRADING SYSTEM AND IS EXPECTED TO ALLEVIATE THE KEY  
OUTSTANDING DEMANDS OF THE TOOLROOM WORKERS, AS WELL AS  
STANDARDIZE CONTRACT EXPIRY DATES. THE UNOFFICIAL  
COMMITTEE HAVE REJECTED THIS PROPOSAL AND HAVE MADE IT  
CLEAR THAT THEY WISH TO SEE RESULTS LONG BEFORE NOVEMBER  
1979.

2. AS A RESULT OF THIS DISPUTE, THE BIRMINGHAM MEETING  
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RESOLVED TO WITHHOLD SUBSCRIPTIONS FROM THE AUEW IN  
PROTEST AT THE ATTITUDE OF THE NATIONAL EXECUTIVE. IN  
RESPONSE, THE NATIONAL LEADERS HAVE CONFIRMED THAT THEY  
WILL NOT ALLOW SEPARATE BARGAINING RIGHTS AND HAVE  
APPEALED TO THE MEN TO RELY ON THE UNION TO RESOLVE  
"THEIR REASONABLE DEMANDS" WITH MANAGEMENT. THE PRESSURE  
IS BEING EXERTED PRINCIPALLY ON TERRY DUFFY, PRESIDENT-  
ELECT AND CURRENTLY AUEW EXECUTIVE MEMBER FOR THE  
MIDLANDS CAR WORKERS.

3. AS A RESULT OF THIS DISPUTE, THE POSSIBLE DISRUPTION  
ACROSS THE WHOLE LEYLAND CAR GROUP IS BEING SEEN BY  
MANAGEMENT AS POTENTIALLY DISASTROUS. THESE FEARS MAY  
WELL BE EXAGGERATED, BUT THE THREAT OF ACTION CAME IN  
THE SAME WEEK THAT THE LEYLAND CHAIRMAN WAS REITERATING  
THAT THE CORPORATION WAS FUNCTIONING AT ONLY 75 PERCENT  
OF CAPACITY AND THAT THE FUTURE OF THE CARS GROUP IS  
DEPENDENT ON A MORE PRODUCTIVE PERFORMANCE.

4. BEHIND THE RE-EMERGENCE OF THIS DISPUTE, WHICH  
WAS PLAYED OUT IN 1977 AT THE COST OF A MONTH-LONG  
SHUTDOWN OF LEYLAND, ARE TWO CENTRAL ISSUES. FIRSTLY,

THE AUEW IS SUFFERING FROM GROWING INTERNAL STRIFE,  
"ESULTING FROM THE RECENT DIVISIVE  
PRESIDENTIAL ELECTION CAMPAIGN. THERE HAVE BEEN MANY  
INTERNAL FRICTIONS OVER RECENT YEARS, BUT THERE ARE  
GROWING SIGNS, RECOGNIZED BY AUEW OFFICIALS, OF

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LAB-04 SIL-01 OMB-01 SS-15 /126 W  
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USEEC/USOEC

INCREASING DISCONTENT AMONG MANY CRAFT GROUPS WITHIN THE  
UNION WHO BELIEVE THE AUEW IS MOVING FURTHER AWAY FROM  
ITS TRADITIONAL SKILLED BASE TOWARDS A MORE GENERAL  
UNION. THERE IS ALSO CRITICISM OF TERRY DUFFY FROM  
THOSE WHO OPPOSED HIM IN THE RECENT ELECTION. AS A  
RESULT, THERE ARE SIGNS OF A SLOW BUT DISCERNIBLE DECLINE  
IN AUEW SKILLED MEMBERSHIP. THE LEYLAND TOOLMAKERS  
ARE MERELY THE MOST VOCIFEROUS AND POWERFUL OF THE

SKILLED RANK AND FILE GROUPS THAT ARE GROWING INCREAS-  
INGLY CRITICAL OF THEIR LEADERSHIP.  
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5. THIS DISPUTE IS ALSO IMPORTANT BECAUSE OF THE DEMANDS  
FOR THE RESTORATION OF DIFFERENTIALS. AS THE LIFE OF  
THE CURRENT PAY POLICY EBBS, THERE ARE MANY SKILLED  
GROUPS ATTEMPTING TO ENSURE THAT THEY WILL BE ABLE TO  
SATISFY THEIR DEMANDS IN THE NEXT ROUND OF PAY CLAIMS.  
THE PRIME MINISTER INDICATED IN A JUNE 14 STATEMENT  
THAT THE STAGE IV POLICY WOULD ATTEMPT TO SOLVE THE  
PROBLEMS OF SKILLED WORKERS WHO WERE NO LONGER GIVEN  
THE FINANCIAL INCENTIVE TO ASSUME INCREASING RESPON-  
SIBILITIES AND SKILL LEVELS. THE LEYLAND TOOLMAKERS  
ARE ATTEMPTING TO ENSURE THAT THIS PROMISE IS NOT  
FORGOTTEN WHEN THE NEXT WAGE ROUND GETS UNDERWAY;  
THEIR REMINDER IS NOT ONLY FOR THE GOVERNMENT AND THE  
MANAGEMENT, BUT ALSO THEIR UNION AS WELL.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AUTOMOTIVE INDUSTRY, COLLECTIVE BARGAINING, LABOR DISPUTES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780255-0570  
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**Litigation Codes:**  
**Litigation History:**  
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**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**Review Content Flags:**  
**Review Date:** 05 may 2005  
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**Review Exemptions:** n/a  
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**Review Release Date:** N/A  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LEYLAND TOOLMAKERS REITERATE DEMANDS FOR SEPARATE NEGOTIATING RIGHTS  
**TAGS:** ELAB, PINT, UK, BRITISH LEYLAND  
**To:** STATE USEEC  
**Type:** TE  
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